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C O N F I D E N T I A L SECTION 01 OF 03 WELLINGTON 000794

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STATE FOR D (FRITZ), EAP/ANP, EAP/EP, EAP/RSP, INR/EAP  
STATE PLEASE PASS TO USTR-LCOEN  
NSC FOR VICTOR CHA AND MICHAEL GREEN  
SECDEF FOR OSD/ISA/LIZ PHU  
PACON FOR J2/J233/J5/SJFHQ

E.O. 12958: DECL: 10/12/2015

TAGS: [PREL](#) [PGOV](#) [NZ](#)

SUBJECT: IN DC VISIT, NEW ZEALAND OFFICIAL TO SEEK USG  
VIEWS ON BILATERAL RELATIONSHIP, NUCLEAR ISSUE AND FTA

REF: A. WELLINGTON 635

[1](#)B. WELLINGTON 452

Classified by Charge d'Affaires David R. Burnett. Reasons:  
1.4 (b) and (d).

[1](#)1. (C) Summary: New Zealand Deputy Secretary for Asia and Americas John McKinnon will visit Washington from October 17 to 20. He will seek U.S. views on evolving regional security architecture and the potential for improving the U.S.-New Zealand relationship. McKinnon will acknowledge that all issues should be on the table in discussions of the relationship and, while there is no immediate prospect for New Zealand's repeal of its anti-nuclear legislation, he will want to hear why the legislation is still significant to the U.S. government. McKinnon also will seek a frank assessment of New Zealand's chances for free-trade negotiations with the United States. New Zealand remains concerned with its public face if it were to enter dialogue with the United States without knowing if a free-trade deal were a possible outcome. End summary.

[1](#)2. (C) In a meeting October 12 with the Charge, Simon Murdoch, chief executive of the New Zealand Ministry of Foreign Affairs and Trade (MFAT), said that although the new government had not yet been formed, he knew that Phil Goff would remain as foreign minister. Moreover, Murdoch knew the government-in-waiting wanted to be seen as responding constructively to Ambassador Swindells' suggestion for an enhanced dialogue on the bilateral relationship, which he made both to the Prime Minister and in his July 4 speech (ref B). John McKinnon's visit to Washington is seen by the ministry as part of that constructive response. (Note: The Labour Party is negotiating with minor parties to form a government after winning the most votes in the September 17 elections. End note.)

[1](#)3. (C) As his visit's main goal, McKinnon -- the ministry's senior official responsible for the U.S.-New Zealand relationship -- will explore whether a durable process can be set up for discussing the bilateral relationship and what each partner can do to add value to that relationship, Murdoch said. He added that New Zealand wants a constructive relationship. While anti-American rhetoric from some Labour candidates during the election campaign might have suggested otherwise, New Zealand wants to think of itself as a friend to the United States.

[1](#)4. (C) Murdoch understood that U.S. officials in Washington viewed the New Zealand government as making a serious effort in pursuing possible dialogue and were prepared to receive McKinnon on that basis. "We've gone down this track as realists, but what's significant is that we wish to get things on a different footing," Murdoch said. Whereas State officials had told New Zealand officials that McKinnon should not come to Washington unless he had something to say, Murdoch remarked, "We'll come with what we can say. It's not for us to determine whether we have enough." The Charge noted that Washington officials have a lot on their plates. He underscored the importance of McKinnon either making clear what New Zealand can do for an enhanced relationship or, at a minimum, coming away from the visit with recommendations to the new Cabinet on what it will take to keep Washington's attention.

[1](#)5. (C) Acknowledging that the United States would want to include New Zealand's anti-nuclear policy in bilateral discussions, Murdoch said all issues would have to be on the table. McKinnon will ask USG officials why New Zealand's anti-nuclear policy remains a matter of importance and concern to the United States. McKinnon hopes to bring back an explanation that will register with his government's leaders, Murdoch said.

[1](#)6. (C) However, Murdoch noted that repeal of the anti-nuclear legislation would not occur under the incoming government.

While such action might have been possible before the September 17 elections, the campaign "sharpened" the issue and made a change unlikely, Murdoch said. He expects that when the government returns to business and he asks Goff which issues he considers to be mandated by his constituencies, the preservation of New Zealand's anti-nuclear policy will be among them. The Charge said he hoped this would not preclude the government from thinking about what it could do, if anything, short of repeal to meet U.S. concerns.

17. (C) Murdoch said that, in any dialogue, New Zealand will want to discuss our countries' common interests, particularly in the Pacific region with the security architecture changing. New Zealand is looking out for its own interests in trying to demonstrate its value as a contributor to the region's security and development, since it would be easy for larger powers to marginalize the small country. The Charge responded that it would be helpful for McKinnon to spell out that motivation -- that New Zealand is acting out of its interests rather than out of ideology -- during his visit. If he also could be specific about concrete measures that New Zealand might take in response to changes in regional security arrangements, the Charge said that, too, would be of interest.

18. (C) McKinnon will draw attention to New Zealand's contributions outside the region, including in Afghanistan. Murdoch said he will make the point that "somehow, our politicians have the sense that it doesn't seem to matter what we do, to (receive) constructive signals that we are valued." The Charge said that U.S. officials feel compelled to thank New Zealand officials for their country's contributions in Afghanistan at every meeting because there was so little else to discuss.

19. (C) Murdoch asked the Charge what other issues should be raised by McKinnon. The Charge suggested that, while it was clear that New Zealanders desire to have some distance from the U.S. government, each government needed to think about how much distance is necessary or useful, and why. Murdoch remarked that New Zealand is a relatively new country still defining itself in relation to the world. He pointed out that New Zealand and the United States collaborate closely in the sharing of intelligence and that they could build on that cooperation. The Charge warned that while such cooperation had grown rapidly, it would likely run up against limits imposed by the nuclear issue sooner or later.

110. (C) Finally, Murdoch said another objective of McKinnon's visit was to ascertain New Zealand's ability to obtain free-trade negotiations with the United States. The New Zealand government wants to know whether it is a serious prospect for a free-trade agreement and would not want McKinnon returning home without its status clarified. "We can take a candid comment on that," Murdoch said.

111. (C) New Zealand continues to believe what it was told by the Deputy Secretary when he was the U.S. Trade Representative: While the United States cannot commit to free-trade negotiations at this time, they have not been ruled out. Murdoch said New Zealand is also mindful of the USTR's recent announcement on four other countries being priorities for free-trade deals and of the closing window before trade promotion authority expires. New Zealand simply wants to know if it will be onboard the next sailing. The Charge responded that it would be worthwhile to seek a clear answer, but cautioned that the USG might not be eager to close the door, even if New Zealand preferred a closed door to the current uncertainty. He also urged New Zealand to consider whether some of its concerns might be better handled through bilateral investment discussions, especially if New Zealand were not in the queue for free-trade talks.

112. (C) Murdoch noted that his government needed to figure out how it would publicly manage the relationship if New Zealand proceeded with dialogue with the United States without the prospect of an FTA. In the meantime, he suggested that McKinnon's discussions be conducted under media and diplomatic radar. His government will describe McKinnon's visit as taking advantage of an opportune time to exchange views before the Pacific Islands Forum and the APEC summit. (Note: The Assistant Secretary and Prime Minister Clark are not scheduled to be at the Forum at the same time and are unlikely to be able to meet. The New Zealand government hopes the Secretary and PM Clark might meet during the APEC meetings. We did not encourage that hope. End note.)

113. (C) Comment: John McKinnon is a smart, reasoned and pragmatic diplomat. His visit is an opportunity to provide New Zealand with a frank assessment of U.S. views on the bilateral relationship, the possibility of dialogue, New Zealand's nuclear policy and its chances for a free-trade agreement. The New Zealand government at times has had unrealistic expectations of the United States, which have contributed to the strain on our relationship. McKinnon's

visit presents a chance to quell those expectations and tell  
it like it is.  
Burnett